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California. State Board of
Equalization.

Special report on taxation
showing first effects...

Sacramento

1911

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California. State board of equalization.

... Special report on taxation showing first effects of separation on state, county and municipal revenues and tax rates ... Sacramento, Superintendent of state printing, 1911.

28 p. 22 $\frac{1}{2}$ cm.

At head of title: California State board of equalization.

Vol. of Transactions.

1. Taxation—California. 1. Title.

Library of Congress

HJ11.C255 1911

12-33042

____ Copy 2.

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TECHNICAL MICROFORM DATA

FILM SIZE: 35mmREDUCTION RATIO: 10:1IMAGE PLACEMENT: IA (IIA) IB IIBDATE FILMED: 4-16-98INITIALS: fbTRACKING #: 32783

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CALIFORNIA
STATE BOARD OF EQUALIZATION

SPECIAL REPORT ON TAXATION

SHOWING

FIRST EFFECTS OF SEPARATION

ON

STATE, COUNTY AND MUNICIPAL REVENUES AND TAX RATES

STATE BOARD OF EQUALIZATION

EDWARD ROBIN, First District

R. E. COLLINS, Third District

A. B. NYE, Controller and Chairman

JOHN MITCHELL, Second District

JEFF McELVAINE, Fourth District

T. M. EBY, Secretary.



FRIEND WM. RICHARDSON

SACRAMENTO

— SUPERINTENDENT OF STATE PRINTING —
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FRIEND WM. RICHARDSON - - SUPERINTENDENT OF STATE PRINTING
1911

SPECIAL REPORT ON TAXATION.

SACRAMENTO, December 1, 1911.

To His Excellency, HIRAM W. JOHNSON, Governor:

SIR: The State Board of Equalization respectfully submits the following Special Report. This report has been prepared for the purpose of meeting what seems to be a very general demand for official information concerning the operation, during its first year, of the tax amendment to the constitution, and especially with reference to the effect on counties and cities of the withdrawal of property formerly assessed and taxed by them, when taken in connection with their release from general state taxation. The aim has been to present facts, not to discuss or argue.

Respectfully submitted.

A. B. NYE, Chairman.
EDWARD ROLKIN,
JOHN MITCHELL,
R. E. COLLINS,
JEFF McELVAINE.

T. M. EBY, Secretary.

The new tax laws and their enforcement.

The constitutional amendment, commonly known as Senate Constitutional Amendment No. 1, "providing for the separation of state and local taxation, providing for the taxation of public service and other corporations for the benefit of the State, etc.," was approved by the people of the State on November 8, 1910, by a vote of 141,312 for and 96,493 against.

The amendment provided that "all provisions of this section shall be self-executing." It fixed the first Monday in March as the date when the new taxes should be assessed and should become a lien, and the year ending December 31st as the year for which the gross receipts, used as a measure of some of the taxes, should be computed. It also named the State Board of Equalization as the administrative arm of the State for the execution of the new tax laws [See article XIII, sec. 14, paragraph (f); also paragraph (c)]. Section 3692 of the Political Code further provides that the State Board of Equalization is empowered "(3) to make out, prepare and enforce the use of all forms in relation to the assessment of property, collection of taxes and revenue of this state." It thus became the duty of the board to prepare at once for the assessment of the new taxes.

The Board, accordingly, prepared a list of companies and persons sub-

jeet to state taxation, prepared blank forms for reports and mailed them to each company or person subject to the tax. The following is the list of forms used:

- Form 1, S. B. E. Report on General Franchises of Incorporated Companies, 1911.
 Form 2, S. B. E. Report of Companies Engaged in the Transmission or Sale of Gas or Electricity, 1911.
 Form 3, S. B. E. Report of Express Companies, 1911.
 Form 4, S. B. E. Report of Refrigerator, Oil, Stock, Fruit, and Other Car-Loading and Other Car Companies, 1911.
 Form 5, S. B. E. Report of Sleeping Car, Dining Car, Drawing Room Car and Palace Car Companies, 1911.
 Form 6, S. B. E. Report of Telegraph and Telephone Companies, 1911.
 Form 7, S. B. E. Report of Railroad Companies, 1911.
 Form 8, S. B. E. Report of Street Railway Companies, 1911.
 Form 9, S. B. E. Report of Special Franchises of Water Companies, 1911.
 Form 10, S. B. E. Report on Wharves, Ferries, Toll Roads, Toll Bridges and Other Special Franchises, 1911.
 Form 11, S. B. E. Report on Special Franchises of Oil Pipe Lines, 1911.
 Form 12, S. B. E. Report of Commercial and Savings Banks, 1911.
 Form 13, S. B. E. Report of Trust Companies, 1911.
 Form 14, S. B. E. Report of National Banks, 1911.

The Board also provided six assessment rolls for franchises and one each for public-service corporations, banks and insurance.

The legislature convened in January, 1911, and, on the 28th of the same month, a bill was passed making an appropriation to be expended by the State Board of Equalization for the purpose of carrying into effect the new tax system. Early in the session there was introduced by the Hon. J. B. Curtin, Senator from the twelfth district, a bill, commonly known as Senate Bill No. 13, entitled: "An act to carry into effect the provisions of section fourteen of article thirteen of the constitution of the State of California as said constitution was amended November 8, 1910, providing for the separation of state from local taxation, and providing for the taxation of public service and other corporations, banks and insurance companies for the benefit of the State, all relating to revenue and taxation." This bill became a law April 1, 1911, and now constitutes Chapter 335 of the Statutes of the year 1911.

Under the provisions of the constitution and of the Political Code above referred to, many of the reports of companies and persons subject to state taxation had been filed prior to the passage of this act. As soon as the act became a law the State Board of Equalization began to make the assessments in accordance with its provisions. In accord with the

provisions of the new law, notice of the completion of the "record of assessments for state taxes" was published on the third Monday before the first Monday in July. Hearings were held for three weeks, and on the first Monday in July the completed tax rolls, duly certified, were turned over to the Controller for collection of the taxes.

No ad valorem tax for the sixty-third fiscal year.

The so-called "tax levy bill," namely, Chapter 336 of the Statutes of 1911, provided for the assessment and levy of taxes amounting to \$12,404,670.00 and also provided that, "in the event that the taxes so assessed" (to wit, those provided for by section 14 of article XIII of the Constitution) "together with all available revenues other than those revenues required by law to be used for special uses, shall not raise said sum of twelve million four hundred four thousand six hundred seventy dollars" (\$12,404,670.00) "then said above named revenues shall be deemed insufficient to meet the annual expenditures of the State for the sixty-third fiscal year" * * * "then said State Board of Equalization shall" * * * "between the first and second Mondays in September of said sixty-third fiscal year, fix such an ad valorem rate of taxation upon each one hundred dollars in value of taxable property, upon all the property in the State of California not exempt from taxation under the law and subject to taxation for state purposes on the seventh day of November in the year one thousand nine hundred and ten, as, after allowing five per cent for delinquencies, will raise for said sixty-third fiscal year the amount of said deficiency."

The State Board of Equalization, finding that the revenues of the State from the taxes referred to, together with all other revenues not devoted to special uses, equalled and exceeded the sum of \$12,404,670.00 held that it was unnecessary to levy an ad valorem tax for general state purposes, and no general state tax rate was fixed. But under the provision of section 22 of article IV of the Constitution as amended November 8, 1910, the Board fixed the rate for the special Panama-Pacific Exposition tax at five cents on each \$100 of assessed valuation.

The apparent revenues of the State under the above cited provisions of law were:

Public service corporations taxes	88,776,065 46	
Franchise taxes	1,677,745 00	
	\$10,453,810 46	
Less estimated delinquency	50,000 00	\$10,403,810 46
Inheritance taxes (less \$250,000 to school fund)		600,000 00
Corporation license taxes		870,000 00
Fees Secretary of State		280,000 00
Automobile licenses		50,000 00
Interest on state deposits		120,000 00
Tax redemptions		100,000 00
Preston, Whittier and Sonoma collections		180,000 00
Miscellaneous		75,000 00
Total general fund receipts		\$12,678,810 46

The following statement shows in round numbers the taxes levied upon the different classes of corporations:

Steam railroads	\$3,736,000 00
Street railways	1,040,000 00
Telegraph	25,000 00
Telephone	400,000 00
Express	102,000 00
Car companies	89,000 00
Gas and electric	1,225,000 00
Banks	1,635,000 00
Insurance companies	523,000 00
Franchises	1,678,000 00
Total	\$10,453,000 00

Special features in the administration of the state taxes.

The assessment of the taxes upon the seven classes of public service corporations based upon gross receipts, presented no very serious difficulties. The sworn reports of the gross receipts made by the companies were verified by reference to previous reports made by the same companies to the State Commission on Revenue and Taxation, by published reports of the companies made to the stockholders and other sources. In a number of cases, an examination of the books of the companies by expert accountants was ordered by the board and made. These examinations revealed but few inaccuracies, due, usually, to a failure to distinguish clearly between the receipts from operative and those from non-operative property, and the errors were of such a nature that their correction reduced slightly the amount of taxes due the State.

The assessors, for the most part, succeeded in reaching satisfactory decisions as to what was non-operative and what was operative property of the public service corporations, and the board was not called upon to intervene except in a few cases. The most important cases as to operative and non-operative property decided by the board related to the assessment of public service corporations in Los Angeles city for the purpose of computing the taxes thereon for the payment of the interest and principal of bonds outstanding prior to November 8, 1910. In these cases, the board was obliged to reduce the assessments made by the local authorities so as to equalize them with the assessment of other property.

The assessment of banks raised some nice questions, but presented no great difficulty. The sworn reports were carefully checked by the reports to the United States Comptroller of the Currency and to the State Superintendent of Banks.

The assessment of the insurance companies was made on the basis of a report by the State Insurance Commissioner.

The most laborious and perplexing part of the work of the board consisted in making the assessment of franchises. Nineteen thousand six hundred and thirty-five corporations filed reports. In making these assessments the board was guided by the numerous decisions of the Supreme Court, and mainly by the rule laid down in the case of the *Bank of California vs. San Francisco*. Since the conclusion of the

assessment, the Supreme Court has again sustained the methods of assessment used in the case of the *City of Los Angeles vs. Western Union Oil Company*, Cal. Dec. No. 2250, Vol. 42, Oct. 27, 1911. In the end the board's investigations and computations revealed the existence of franchise values assessable at nearly \$175,000,000, by far the greater part of which had previously escaped taxation.

During the progress of the assessment numerous questions as to the interpretation of the law arose, some of which were referred to the Attorney General, who coöperated effectively with the board. Hon. J. B. Curtin, Tax Commissioner under the law of 1909, lent valuable aid, and the board also owes much to its competent secretary, Mr. T. M. Ely, and to its expert, Professor C. C. Plehn of the University of California.

Many of the opinions of the Attorney General were oral, but the following were in writing. The list includes two opinions rendered at the request of the Insurance Commissioner.

List of opinions by the Attorney General, bearing on the changes in the tax system.

No. 2057. To A. B. Nye, State Controller. *In re* Senate Constitutional Amendment No. 11 of the session of 1909, regarding assessment of mortgages. Dated February 23, 1911.

No. 2096. To the Insurance Commissioner. *In re* the meaning of "return premiums and reinsurance." Dated May 24, 1911.

No. 2097. To the Insurance Commissioner. *In re* county mutual insurance companies, and the taxes on real estate of insurance companies in general. Dated May 24, 1911.

No. 2099. To the State Board of Equalization. *In re* assessment of banks. Dated May 25, 1911.

No. 2103. To the State Board of Equalization. *In re* taxation of solvent credits secured by mortgage upon property situate in another state. Dated May 26, 1911.

No. 2138. To A. B. Nye, State Controller. *In re* duty of State Board of Equalization under section 22, article IV, Constitution, as amended November 8, 1910. Dated August 14, 1911.

No. 2156. To A. B. Nye, State Controller. *In re* levying school district tax. Dated August 28, 1911.

No. 2157. To A. B. Nye, State Controller. *In re* past bond debts. Dated August 30, 1911.

No. 2159. To A. B. Nye, State Controller. *In re* Chapter 335, Statutes 1911; payment by "districts" on account principal and interest of bond debts existing prior to November 8, 1910. Dated August 29, 1911.

No. 2159 (continued). To A. B. Nye, State Controller. *In re* right of certain political subdivisions to assess and tax public service corporations. Dated August 29, 1911.

No. 2161. To A. B. Nye, State Controller. *In re* past bonded indebtedness for city water works. Dated August 30, 1911.

Absence of serious litigation.

Up to the present time, December 1, 1911, no cases involving the validity of the State taxes have been brought into court, and the only suits which raise any issues under the new law are several involving the right of cities to levy license taxes upon corporations taxed for State purposes. Three actions were brought by the city and county of San Francisco to recover license taxes. Two were based upon an ordinance of the city and county imposing a license tax upon persons engaged in the insurance business, and the third involved the collection of a license tax from the Pacific Telephone and Telegraph Company. All three cases were tried before Hon. James M. Seawell, judge of the Superior Court in and for San Francisco, and were decided in favor of defendants.

The effect of the changes on county revenues.

The board has compiled, on the basis of the statements filed in October by the county auditors with the State Controller, as provided in section 3734 of the Political Code, three tables, printed herewith, showing in detail the effect of the changes in the tax system upon each of the counties. The tables are confined to the effect upon county funds only, and include fifty-six counties. Reports from Imperial and San Benito counties were received too late to be made use of.

These tables show a net gain to the county taxpayers aggregating \$3,537,121.16. They show also that the counties are spending, for strictly local purposes, in the aggregate \$3,403,356.55 more than last year.

From the former sum should be deducted the amounts necessary to make up losses in special school, city and other taxes occasioned by the withdrawal of corporate property from local taxation as set forth below. Part of the latter sum comes out of the saving which the county taxpayers would have made by the change in the tax system and part of it is additional taxes levied upon them for county purposes.

Stated in another way, instead of sending in round numbers \$9,250,000.00 to the state treasury, the county taxpayers have kept in their pockets \$3,537,121.16, less losses in special and city taxes, and have \$3,403,356.55 more to spend for county purposes than was spent last year. Furthermore, the State continues its contributions to the county school, high school, and other funds on a basis fully as liberal as the old one.

To persons not familiar with the tax laws, the method of computing the effect of the changes may seem complex and involved. It is in reality quite simple, as may be shown by an illustration in simple numbers.

Let us suppose that in a certain county the total assessed valuation of property was \$1,000,000, of which \$500,000 is inside incorporated cities and \$500,000 outside; that \$100,000 is the amount withdrawn from local taxation, of which \$50,000 is inside incorporated cities and \$50,000 outside thereof; that the State tax, under the old system, would have been

37 cents on each \$100, the county tax this year is \$1.00 inside and \$1.40 outside, of which the 40 cents is for the road tax. It follows that the taxpayers who are now carrying the county expenses are assessed for \$900,000 (\$1,000,000 less \$100,000 withdrawn). They would, under the old system have sent to Sacramento 37 cents on each \$100 of \$900,000, or \$3,330.00. This, under the new system, is the gross saving, as there is no State tax this year except the exposition tax, which we may ignore. But they must make up what the corporations, under the old system, would have paid to the county funds. The road fund equals 40 cents on \$450,000 (\$500,000 being the total of all outside property, less \$50,000 withdrawn), or \$1,800.00. Had the old system continued, a road tax rate of 36 cents (\$1,800.00 divided by \$500,000) would have raised the same amount, and the share thereof paid by the corporations would have been (\$50,000 at 36 cents per \$100) \$180.00. The county raised, for general purposes, other than the road fund (\$900,000 at \$1.00 per \$100) \$900,000. Under the old system, a tax rate of 90 cents (\$900,000 divided by \$1,000,000) would have raised the same amount. This 90-cent rate applied to the withdrawn property, namely, \$100,000, gives \$900.00, or the loss in general county revenues.

We have thus:

Gross saving by removal of state tax.....	\$3,330 00
Less loss:	
In road taxes	\$180 00
In general county taxes	900 00
	1,080 00
Net saving to county taxpayers.....	\$2,250 00

Had the supervisors decided that the county needed more money this year than last, they could have levied \$2,250.00 more, without taking from their constituents a cent more than the same taxpayers paid last year in state and county taxes combined. Out of the \$3,330.00 which, under the old system, would have gone to the State, a large part would have come back for schools and other purposes, but under the new system, just as much comes down from Sacramento, although none goes up. Out of the net saving of \$2,250.00 must come also the amount necessary to cover the loss in city and special district taxes occasioned by the withdrawal of corporation property. It would be an extreme case when this equaled the loss in general county taxes which was in our illustration \$900.00, so that a substantial saving is made in any event.

While the hypothetical case illustrates the methods, some actual cases will show it still more clearly. We select, as an illustration of a somewhat normal case, Alameda County. The total assessment roll of that county was \$208,855,626, of which there was withdrawn from local taxation \$21,540,959 (\$17,486,220 inside and \$4,054,739 outside), leaving \$187,314,667 to carry the burden of county taxation. The supervisors levied for all county purposes \$1,740,481.46 and the tax rates were 89 cents inside and \$1.29 outside, a reduction of 27 cents from last year's rates to the same taxpayers. This was \$47,518.23 more than the county had last year. Under the old system, the county would have

sent to Sacramento \$693,064.28, and the same amount of money that was raised this year for county purposes would have been raised with an inside tax rate of \$0.7982 and an outside rate of \$1.1258. These rates applied to the property withdrawn give \$185,223.26 as the loss in county revenues, leaving \$507,841.02 in the pockets of the taxpayers. With \$47,518.53 more in the county treasury and \$507,841.02 saved, the county, as a county, may be said to be \$555,359.25 better off for the change. Out of this must be made good the loss in city and district revenues, which is not so large in this county as in some others. The people (meaning thereby the majority of taxpayers) in this county save on the average about 20 cents on each \$100 of assessed valuation.

An illustration of a county which loses by the change, and in which the loss is not affected by any action of the supervisors, is afforded by Placer County. That county has, in the past, been receiving the taxes upon 123 miles of railroad property and upon a considerable amount of the property of power companies, and the like. The property withdrawn amounts to 35 per cent of the total roll. The supervisors levied \$41,791.40 less taxes than last year, but received \$36,304.00 as reimbursement of the net loss occasioned by the withdrawal of railroad taxes and \$2,373.77 reimbursement for bond taxes, or \$38,677.77 in all, leaving the decrease \$8,840.46. The county taxpayers would have sent to the State \$32,388.06, but they had to make good \$59,394.80 in county taxes on property withdrawn, making a net loss of \$27,006.74. The tax rates, which would have been \$1.41 inside and \$1.94 outside, were \$1.60 and \$2.00, respectively.

An illustration of a different character, where the supervisors complicated the change by adding heavily to the county tax revenues in face of a loss, is afforded by San Bernardino County. The supervisors raised the county tax funds from \$513,805.56 in 1910 to \$769,772.71 in 1911, an increase of over a quarter of a million dollars or nearly 50 per cent. The increase was \$255,967.15. In addition to that they received \$52,987.00 from the State as reimbursement of the net loss occasioned by the withdrawal of railroad property. This makes \$308,954.15 more than last year. Out of this they expended \$130,452.41 to reimburse districts which lost, leaving a net increase in county funds of \$178,501.74. San Bernardino County has 658 miles of railroads upon which she has been levying taxes in the past. The total property withdrawn is nearly 33 per cent of the total roll. So, although the people do not send the \$130,418.82 to the State which they would have done under the old system, they have to make good \$263,153.95 loss in county revenues, including the share the corporations would have paid of the \$178,501.74 of new taxes levied by the supervisors. This leaves a net loss to the taxpayers of \$132,735.13. But this amount and the difference between that and \$178,501.74 have passed into the county treasury. The increase in county tax rates which would have been, under the old system \$1.78 inside and \$1.93 outside this year, as against \$1.10 and \$1.55 respectively last year, shows exactly how much the increase in

county revenues by the supervisors cost the taxpayers. The actual rates were \$1.95 and \$2.40.

To avoid a possible misconception, it should be explained that the table, in giving the loss from withdrawal of operative property, gives the total withdrawals on account of all classes of public service corporations, while the reimbursement specified in the constitution, and provided for by statute, is limited to net loss sustained by withdrawal of railroad property alone.

TABLE I. Property Subject to, and Property Withdrawn from, County and Local Taxation. Assessed Valuations as given on County Rolls. For the Year 1911

	Total assessment roll 1911, including property withdrawn from county taxation.	Percentage of increase over 1910. (Increase in italics.)	Property withdrawn from county taxation.		Total "in" and "out" (sum of two preceding columns).	Percentage of property withdrawn.	Balance subject to county taxation.
			Inside incorporated cities. (Including railroads assessed by State Board of Equalization.)	Outside incorporated cities. (Including railroads assessed by State Board of Equalization.)			
Alameda	\$208,855,626	4.32	\$17,486,220	\$4,054,739	\$21,540,959	10.30	\$187,314,667
Alpine	535,819	5.22	None	88,565	88,565	16.32	447,254
Amador	5,975,659	1.72	21,029	742,470	763,499	12.78	5,213,160
Butte	23,906,913	4.71	477,626	4,646,332	5,123,958	21.44	18,782,955
Calaveras	6,643,987	1.57	None	637,112	637,112	9.60	6,006,875
Colusa	13,626,337	1.89	121,878	1,065,335	1,187,213	8.70	12,439,864
Contra Costa	39,700,914	12.15	1,579,262	4,283,412	5,862,674	14.26	34,038,240
Del Norte	4,812,887	10.30	14,446	8,018	22,464	0.47	4,790,423
El Dorado	6,528,442	6.52	106,832	947,630	1,054,462	16.15	5,473,980
Fresno	70,616,735	8.20	1,807,383	7,380,639	9,188,022	13.02	61,428,713
Glenn	15,944,349	13.20	175,671	1,591,494	1,767,165	11.80	14,177,184
Humboldt	29,716,743	1.95	793,358	706,959	1,500,317	5.25	28,156,426
Imperial	No report						
Inyo	3,768,908	17.45	157,653	1,499,745	1,657,398	28.75	4,106,510
Kern	65,843,625	25.77	1,904,458	10,779,315	12,683,773	18.33	53,159,852
Kings	14,283,944	8.53	282,887	1,816,677	2,099,564	14.70	12,184,380
Lake	3,662,107	0.44	2,430	4,650	6,480	0.18	3,655,627
Lassen	6,901,498	3.93	67,520,088	1,140,030	1,150,683	16.46	5,750,815
Los Angeles	607,182,912	14.26	118,241	2,415,178	2,533,419	22.77	584,649,493
Madera	11,126,564	4.74	629,168	22,768,119	90,288,207	14.87	516,861,285
Marin	20,285,611	2.92	229,168	2,415,178	2,644,346	10.91	18,072,625
Mariposa	3,479,435	39.63	None	287,120	287,120	8.25	3,192,315
Mendocino	15,616,974	6.49	278,456	1,173,855	1,452,311	7.52	14,164,663
Merced	22,274,588	6.61	449,582	3,725,972	4,175,554	18.75	18,099,034
Modoc	6,488,434	4.04	403	255,965	256,368	3.55	6,232,066
Mono	1,335,065	0.44	None	82,600	82,600	6.11	1,252,465
Monterey	31,692,196	9.66	509,329	3,726,421	4,235,750	13.13	27,456,446
Napa	17,510,335	3.13	514,801	1,676,549	2,191,350	12.43	15,318,985
Nevada	8,173,371	1.37	217,118	1,331,688	1,548,806	21.43	6,624,565
Orange	35,599,063	16.33	1,821,927	3,765,826	5,587,753	15.70	30,011,310
Placer	13,493,349	1.56	443,316	4,286,503	4,729,819	35.08	8,763,530
Plumas	7,161,719	5.67	None	1,745,789	1,745,789	24.38	5,415,930
Riverside	29,079,084	8.00	1,182,912	4,772,542	5,955,454	20.48	23,123,630
Sacramento	78,296,179	27.00	4,640,587	4,242,585	8,883,172	11.35	69,413,007
San Benito	No report						
San Bernardino	52,534,289	5.29	2,378,874	14,907,084	17,285,958	32.90	35,248,331
San Diego	53,735,875	21.59	2,016,201	1,791,427	3,807,628	7.09	49,928,247
San Francisco	545,405,664	5.28	83,549,883	None	83,549,883	15.31	461,855,781
San Joaquin	56,128,417	20.48	2,551,116	5,950,687	8,501,803	15.15	47,626,614
San Luis Obispo	20,048,951	9.64	562,795	2,131,396	2,694,191	13.44	17,354,760
San Mateo	30,346,078	10.54	580,153	1,459,739	2,039,892	6.72	28,306,186
Santa Barbara	32,366,551	3.74	1,387,557	3,559,194	4,946,751	15.28	27,419,780
Santa Clara	76,283,890	4.29	3,737,664	3,133,561	6,871,225	9.00	69,412,665
Santa Cruz	19,819,096	11.23	745,115	1,353,726	2,098,841	10.59	17,720,255
Shasta	18,565,421	15.12	390,034	5,480,183	5,870,217	31.45	12,695,004
Sierra	2,381,360	2.00	71,576	143,934	215,510	9.05	2,165,850
Siskiyou	18,548,321	7.26	402,130	3,708,921	4,111,051	22.16	14,437,270
Solano	23,718,764	3.92	645,110	2,077,146	2,722,256	11.48	20,996,508
Sonoma	39,135,501	6.28	749,428	3,331,823	4,081,251	10.44	35,054,250
Stanislaus	25,804,014	7.47	527,629	3,062,286	3,589,915	13.91	22,214,105
Sutter	8,583,856	5.14	71,272	1,575,964	1,647,236	19.19	6,936,620
Tehama	14,457,968	4.03	301,098	1,964,635	2,265,733	15.67	12,192,235
Trinity	3,021,775	4.77	None	43,139	43,139	1.43	2,978,636
Tulare	44,672,731	19.30	649,961	5,563,978	6,213,939	14.20	38,458,792
Tuolumne	9,038,813	6.48	12,193	1,358,140	1,370,333	15.17	7,668,480
Ventura	26,477,131	3.52	511,017	2,069,011	2,580,028	13.14	23,897,103
Yolo	23,670,698	16.38	682,175	1,820,987	2,503,162	23.25	18,167,536
Yuba	8,520,442	8.94	577,421	1,484,546	2,061,967	24.20	6,458,475
Totals	\$2,584,487,981	9.8	\$205,508,683	\$171,385,789	\$376,894,472	14.58	\$2,207,593,509

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TABLE II. Tax Rates and County Revenues from Taxation 1910 and 1911.

	County tax rates 1911.		County tax rates 1910.		County taxes.		Increase or Decrease in county tax revenues. (Decrease in italics.)	Reimbursement for bond taxes on property withdrawn. County bonds only.
	Inside.	Outside.	Inside.	Outside.	1911.	1910.		
Alameda	.89	1.29	1.16	1.56	\$1,740,481 46	\$1,692,903 23	\$47,518 23	
Alpine		1.95		2.20	8,721 45	9,401 55	681 10	
Amador	1.85	2.04	1.43	1.85	105,200 23	85,415 38	19,784 85	
Butte	1.85	2.25	1.60	2.00	405,345 82	357,821 57	47,524 25	
Calaveras		2.00		2.00	124,538 20	107,729 91	16,808 29	
Colusa	1.05	1.65	1.30	1.70	199,857 97	176,074 36	23,783 61	
Contra Costa	1.05	1.45	1.25	1.65	446,184 52	413,440 51	32,744 01	\$835 16
Del Norte	1.20	1.70	1.25	1.75	79,664 84	59,227 84	20,437 00	
El Dorado	1.55	1.95	1.72	2.10	103,722 67	104,130 28	407 61	
Fresno	1.11	1.51	1.20	1.58	864,091 10	741,599 88	122,491 22	
Glenn	1.25	1.65	1.40	2.30	226,866 87	269,059 19	42,192 32	
Humboldt	1.05	1.85	1.40	2.00	472,631 21	428,645 69	43,985 52	122 94
Imperial	1.05	1.65	1.30	1.90		172,708 08		
Inyo	1.55	1.95	1.83	2.30	77,683 87	84,090 20	6,406 33	
Kern	.80	1.15	.95	1.30	590,751 99	472,073 89	118,678 10	
Kings	.95	1.55	1.15	1.55	176,888 05	148,757 84	28,130 21	7,727 76
Lake	1.55	2.10	1.75	2.25	74,117 97	66,875 17	7,242 80	
Lassen	1.35	1.95	1.60	2.00	111,837 21	118,316 35	6,479 14	6 90
Los Angeles	1.60	2.20	1.90	2.50	3,642,171 69 ¹	3,420,645 90	221,525 79	
Madera	1.85	2.25	1.45	1.50	190,072 91	150,436 27	39,636 64	
Marin	1.05	1.45	1.15	1.55	219,123 89	196,815 29	22,308 60	4,868 57
Mariposa	1.05	1.65	1.30	2.50	52,673 19	53,540 92	867 73	
Mendocino	1.25	1.95	1.50	1.90	260,866 10 ²	231,766 86	29,099 24	502 44
Mered	1.50	2.10	1.45	2.00	369,495 35	334,290 57	35,204 78	1,593 25
Modoc	1.20	1.55	1.35	1.65	35,846 08	78,609 65	42,763 57	
Mono		1.95		2.50	24,423 07	29,001 99	4,578 92	
Monterey	1.00	1.50	1.25	1.70	367,731 83	353,558 75	14,173 08	
Napa	1.25	1.65	1.45	1.85	225,390 21	200,462 99	24,927 22	
Nevada	1.85	2.35	2.00	2.60	140,901 75	162,328 49	21,426 74	
Orange	1.05	1.45	1.20	1.60	165,650 40	335,829 49	169,179 09	1,130 29
Piace	1.60	2.00	1.60	2.00	291,414 80	297,441 80	6,026 00	2,373 77
Plumas	1.45	1.55	1.30	1.80	83,941 91	98,075 47	14,133 56	3,043 60
Riverside	1.15	1.75	1.20	1.80	401,610 16 ³	315,371 41	86,238 75	1,161 20
Sacramento	1.19	1.64	1.53	2.00	947,335 08	846,864 72	100,470 36	11,243 66
San Benito	1.27	1.65	1.62	1.95		120,823 76		
San Bernardino	1.95	2.40	1.10	1.55	769,772 71 ⁴	513,805 56	255,967 15	
San Diego	1.35	1.85	1.40	2.00	734,002 73 ⁵	519,906 01	214,096 72	6,347 31
San Francisco	2.00	2.40	2.00	2.00	9,237,527 81	8,488,984 26	748,543 55	126,288 37
San Joaquin	1.25	1.65	1.25	1.615	707,509 02	519,949 09	187,559 93	2,546 70
San Luis Obispo	1.46	2.06	1.44	1.84	339,583 52	255,929 70	83,653 82	265 44
San Mateo	1.20	1.80	1.12	1.62	446,622 27	297,063 25	149,559 02	1,986 53
Santa Barbara	1.35	1.75	1.45	1.80	441,523 79	414,605 94	26,917 85	
Santa Clara	.90	1.30	1.12	1.52	773,232 79	723,740 17	49,492 62	500 87
Santa Cruz	1.45	2.05	1.25	1.65	304,246 39	192,560 29	111,686 10	
Shasta	1.65	2.05	1.35	1.75	252,282 01 ⁶	216,398 65	35,883 36	
Sierra	1.50	2.00	2.00	2.50	41,164 70	49,492 54	8,327 84	
Siskiyou	1.45	1.85	1.15	1.55	259,288 38	202,484 15	56,804 23	
Solano	1.20	1.60	1.45	1.85	310,123 83	312,668 20	2,544 37	2,476 55
Sonoma	1.15	1.55	1.30	1.70	501,191 46	453,390 24	47,801 21	1,870 76
Stanislaus	1.40	1.80	1.25	1.65	385,000 45	297,837 66	87,162 79	
Sutter	1.05	1.45	1.30	1.70	98,622 53	107,781 18	9,158 65	
Tehama	1.97	2.35	1.57	1.95	277,611 38	212,706 17	64,905 21	
Trinity		2.55		2.25	75,955 21	54,709 95	21,245 26	
Tulare	1.15	1.65	1.10	1.55	601,199 78	423,005 28	178,194 50	
Tuolumne	1.40	1.90	1.45	1.95	140,385 65	130,320 50	10,065 15	
Ventura	1.55	1.65	1.45	1.80	368,124 98	355,158 17	12,966 81	
Yolo	1.15	1.75	1.20	1.60	304,084 00 ⁷	239,004 50	65,079 50	
Yuba	1.95	2.35	2.20	2.60	141,913 56	162,445 91	20,531 35	
Totals					\$30,897,933 53	\$27,494,576 98	\$3,403,356 55	

¹Includes \$374,000 (estimated) to reimburse districts.²Includes \$48,339 to reimburse districts.³Includes \$130,452.41 to reimburse districts.⁴Includes \$28,499.67 to reimburse districts.⁵Includes \$16,488.97 to reimburse districts.⁶Includes \$3,496.31 to reimburse districts.⁷Includes \$13,400.00 to reimburse districts.

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TABLE III. Gain or Loss by Counties. Year 1911.

	State tax at constructive tax rate of 35 cents. Or gross saving to taxpayers left on the county rolls.	Constructive county tax rates. That is, the rates which under the old system would have raised this year's revenues.		County taxes lost on property withdrawn. Computed at rates in the preceding column.	Net saving or loss to county taxpayers. (Loss in italics.)	Savings plus increased revenues. That is, the sum of the increase in county funds and of the saving to taxpayers. (Decrease in italics.)
		Inable.	Outside.			
Alameda	\$883,064 28	.7982	1.1258	\$185,223 26	\$507,841 02	\$555,350 25
Alpine	1,654 84	-----	1.6277	1,441 57	213 27	469 83
Amador	19,288 32	1.6137	1.7773	13,335 26	5,753 06	25,534 71
Butte	69,496 93	1.4531	1.7561	88,536 06	19,039 13	28,485 12
Calaveras	22,225 41	-----	1.8750	11,945 85	10,279 59	27,087 88
Colusa	46,023 80	.9585	1.5078	17,235 24	28,788 56	52,572 17
Contra Costa	125,941 49	.9002	1.2355	65,337 68	60,603 81	94,182 98 ¹
Del Norte	17,724 57	1.1944	1.6935	308 32	17,416 25	37,853 25
El Dorado	20,253 73	1.2781	1.6112	16,633 63	3,620 10	3,212 49
Fresno	227,296 25	.9655	1.3907	114,183 23	113,081 03	235,572 25
Glenn	52,455 58	1.1115	1.4662	25,287 07	27,168 51	41,280 87 ¹
Humboldt	104,178 78	1.1844	1.7624	22,913 42	81,265 36	125,250 88
Imperial	No report.	-----	-----	-----	-----	-----
Inyo	15,190 38	1.1043	1.3845	22,504 93	7,314 55	43,739 88 ²
Kern	198,922 44	.6184	.9423	106,621 98	89,300 46	215,706 32 ¹
Kings	45,082 21	.8104	1.3196	26,265 39	18,816 82	46,947 03
Lake	13,325 82	1.5473	2.0066	122 51	13,403 31	20,653 10
Lassen	21,611 01	1.1278	1.6247	18,642 21	2,968 80	3,249 31
Los Angeles	1,912,510 41	.5108	.9808	570,251 45	1,342,258 96	1,189,784 75 ²
Madera	31,794 64	1.4288	1.7340	13,568 62	17,773 88	30,340 66 ²
Marin	66,868 71	.9092	1.2474	25,476 95	41,391 76	68,568 93 ¹
Mariposa	11,811 57	-----	1.5139	4,346 71	7,464 86	6,637 13
Mendocino	52,469 02	1.2245	1.7894	24,178 66	28,290 36	54,336 33 ¹
Merced	66,968 43	1.2188	1.7074	69,006 76	2,138 33	34,727 70 ¹
Modoc	23,156 18	1.1575	1.4946	3,424 07	19,732 11	36,969 44
Mono	4,634 12	-----	1.8293	1,511 00	3,123 12	1,455 80
Monterey	99,308 85	.8638	1.2847	52,272 91	47,035 94	61,269 02
Napa	55,370 32	1.0908	1.4303	25,335 13	25,975 19	59,402 61
Nevada	23,739 79	1.4355	1.8246	31,157 73	7,417 93	22,863 68 ¹
Orange	111,019 65	.7869	1.1208	56,544 12	54,475 53	110,890 86 ¹
Placer	32,388 06	1.0387	1.2782	59,394 80	27,006 74	30,129 37 ^{1 2 3}
Plumas	20,038 94	-----	1.1721	20,462 39	423 45	11,513 41 ¹
Riverside	85,557 43	1.1590	1.5720	88,663 34	3,105 91	35,955 04 ¹
Sacramento	256,828 13	1.0550	1.4438	110,212 63	146,615 50	258,329 52 ¹
San Benito	No report.	-----	-----	-----	-----	-----
San Bernardino	130,418 82	1.3084	1.5565	263,153 95	132,735 13	45,766 61 ^{2 3}
San Diego	184,734 51	1.2543	1.7631	56,873 86	127,860 65	319,745 01 ^{1 3}
San Francisco	1,708,866 39	1.6937	-----	1,415,084 37	293,782 02	1,168,613 94 ¹
San Joaquin	176,218 47	1.0607	1.3907	109,815 89	66,402 58	236,509 21
San Luis Obispo	64,210 62	1.4071	1.7575	45,387 84	18,822 78	102,742 04 ¹
San Mateo	104,732 88	1.1193	1.6730	30,828 22	73,904 66	225,350 21 ¹
Santa Barbara	101,453 19	1.1437	1.4772	68,445 90	33,007 29	59,925 14
Santa Clara	256,826 86	.8189	1.1878	67,828 16	188,998 70	239,052 19 ¹
Santa Cruz	65,364 94	1.2964	1.8085	34,141 80	31,223 14	143,109 24 ¹
Shasta	46,991 55	1.1311	1.3959	80,051 13	33,069 58	49,638 25 ¹
Sierra	8,013 65	1.2943	1.8260	3,604 74	4,408 91	5,918 93
Siskiyou	53,417 90	1.1286	1.4370	57,835 63	4,447 73	57,441 50 ²
Solano	77,687 08	1.0623	1.4123	36,188 53	41,498 55	41,430 73 ¹
Sonoma	129,689 62	1.0300	1.3821	53,899 70	75,879 92	125,551 90 ¹
Stanislaus	82,192 19	1.2052	1.5485	53,778 41	28,413 78	115,576 57
Sutter	25,065 49	.8185	1.0699	19,041 94	6,623 55	2,333 19
Tehama	45,111 27	1.6613	1.9781	43,864 58	1,246 69	66,151 90
Trinity	11,020 95	-----	2.5140	108 45	10,912 50	32,157 76
Tulare	142,186 43	.8863	1.4135	85,501 23	56,685 20	234,879 70
Tuolumne	28,558 56	1.1876	1.6021	21,407 70	6,450 86	16,516 01
Ventura	85,089 28	1.1726	1.4325	48,523 26	36,566 02	49,532 83
Yolo	67,219 89	.8826	1.3280	70,043 59	2,823 70	45,766 83 ³
Yuba	23,896 36	1.4781	1.7934	35,158 71	11,262 35	24,822 30 ²
Totals	\$8,168,095 63	-----	-----	\$4,630,974 47	\$3,537,121 16	\$6,612,882 97

¹Receives reimbursement for bond taxes. See last column of Table II.²Receives a bonus from the State. Imperial \$21,054, Madera \$2,478, Nevada \$5,861, Placer \$36,304, San Bernardino \$52,987, Siskiyou \$5,045, Yuba \$7,172.³The entry makes due allowance for money raised to reimburse districts. See foot notes on Table II.

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Losses by districts.

The law provides (section 32 of Chapter 335) that "the boards of supervisors of each county shall in the month of September of each year determine the amount of loss to each district in the county where loss is occasioned in such district by the withdrawal from local taxation of property taxed for State purposes only, and in the month of December next thereafter shall reimburse such district from the general funds of the county for one half of such loss, and in the month of May next thereafter shall reimburse such district from the general fund of the county for the remaining one half of such loss."

So far as reported only seven counties followed this plan literally—they were:

Los Angeles, which reimbursed districts to the amount of (est.)	\$374,000 00
Arandocino, which reimbursed districts to the amount of	3,496 31
Imperial, which reimbursed districts to the amount of	48,339 00
San Bernardino, which reimbursed districts to the amount of	130,452 41
San Diego, which reimbursed districts to the amount of	28,449 67
Shasta, which reimbursed districts to the amount of	13,400 00
Yolo, which reimbursed districts to the amount of	16,448 97

But other counties may have done as the auditor of Madera reports his county to have done, namely, raised the general rates enough to reimburse districts.

Full data concerning the effect of the new tax system upon each of the thousands of districts, school, road and other, are not available and the collection thereof would be a very tedious and expensive task.

In most cases it is safe to assume that the losses are small, and, in not a few cases, they will be covered by the reimbursements for bond taxes.

In some counties with long stretches of railroad lines, school districts have been so laid out as to include as much railroad property as possible. These "shoe string" districts therefore sometimes lose heavily, and have to be helped out by the other parts of the county. A careful study has been made of Riverside County. That county, San Bernardino and San Diego present this curious feature most frequently. Thus, for example, in the school district of Mecca, there was \$786,600 worth of taxable property of which \$570,710 was withdrawn, being presumably railroad property. In the school district of Banning out of \$918,202, \$539,217 was withdrawn. The table which follows shows just how each school district in Riverside County is affected. It shows that 36 districts gained, in the aggregate, \$23,591.59, while 25 districts lost, in the aggregate, \$56,403.79, and that the net loss was \$32,812.20, county, city, school, road, and all general, special and other taxes being considered. It shows also that the district taxes lost amounted to \$35,811.69. The county board of supervisors, however, generously reimbursed these districts in the sum of \$48,339.00, or \$12,527.31 in excess of the actual loss.

Riverside County—Gain or Loss by School Districts, Cities Included.

	State tax saved.	Bond tax reimbursed.	Share of county tax lost.	District or city tax lost.	Net saving or loss.
Alamos	\$338 18	None	None	None	\$338 19
Alvord	1,730 47	\$890 79	\$2,137 84	\$632 10	658 68
Antelope	204 15	None	5 90	18	198 07
Arundale	631 11	None	539 17	10 05	261 89
Banning	1,461 24	911 48	8,176 30	1,224 02	7,286 79
Beaumont	1,784 64	781 05	3,334 13	2,209 60	2,978 04
Benedict	376 79	149 83	1,177 65	107 88	758 91
Blythe	755 24	None	17 61	5 01	732 62
Coachella	708 64	119 93	1,435 06	463 65	770 14
Corona	6,345 04	542 88	1,154 13	2,535 60	3,338 79
Cottonwood	128 54	None	9 75	30	118 49
Desert	585 34	None	9,145 58	62 83	8,613 07
Diamond	347 76	Incl. Hemet	10 93	5 17	331 66
East Vale	1,021 14	None	11 95	35	1,008 84
Elsinore	801 33	None	3,538 57	703 94	3,440 58
Ethunac	615 16	Incl. Perris	800 90	354 91	540 65
Ferrdale	131 24	None	None	None	131 24
Florida	787 36	Incl. Hemet	13 52	6 42	767 42
Fruitvale	312 93	Incl. Hemet	2 65	1 27	308 99
Glenavon	1,042 82	None	690 99	224 40	129 43
Gideon Avenue	172 46	None	None	None	172 46
Harmony	341 77	Incl. Hemet	706 60	302 42	667 25
Hemet	3,211 86	102 55	1,297 14	958 07	1,058 20
Hillgrove	2,444 81	12 35	1,948 61	574 05	65 50
Hyatt	369 81	None	None	None	369 81
Indio	997 85	None	4,068 67	422 65	3,493 47
Jurupa Heights	599 42	None	426 40	104 54	68 48
Kenworthy	461 39	None	12 58	40	448 41
Lake	350 30	None	473 78	107 45	229 83
Lakeview	406 33	Incl. Perris	109 65	683 94	102 74
Little Lake	1,013 13	34	1 10	1 05	1,011 32
Mecca	798 79	None	8,971 56	187 76	8,360 53
Manife	457 97	None	None	None	457 97
Midland	1,205 18	None	2,511 16	53 51	1,339 49
Moreno	498 67	None	2 83	69	495 73
Murietta	1,160 97	None	1,778 75	182 56	795 34
Olive	174 47	None	None	None	174 47
Paloma	256 95	None	3 54	11	253 30
Palo Verde	111 18	None	3,874 24	13 06	3,771 12
Perris	1,431 36	328 58	3,429 56	1,300 71	2,970 33
Prado	220 67	None	1,035 54	15 68	830 55
Pujol	515 15	None	971 86	21 39	478 10
Ramona	328 27	None	9 51	30	328 46
Rancho	76 42	None	None	None	76 42
Rancho	58 50	None	None	None	58 50
Rincon	243 15	None	465 77	10 19	232 81
Riverside (city)	36,089 31	808 85	11,247 76	19,800 66	5,849 74
Rugby	302 79	None	236 19	6 27	130 33
San Ignacio	329 00	None	12 10	3 82	313 68
San Jacinto	2,253 50	53 51	727 80	1,168 20	411 01
San Timoteo	653 07	130 38	4,099 30	105 35	3,421 20
Schneider	1,040 18	101 17	1,223 36	591 21	673 22
Temecula	208 46	None	294 55	62 97	83
Temescal	323 20	None	63 67	1 94	267 69
Thermal	876 88	220 28	2,164 28	461 49	1,528 61
Trujillo	217 25	28	7 47	1 93	208 13
Union (Joint)	1,069 38	None	999 89	2,620 00	73 29
Wildomar	391 77	None	1,835 77	27 79	1,471 79
Willow Glen	7 60	None	None	None	7 60
Winchester	473 58	None	1,351 51	25 76	906 69
West Riverside	2,646 09	None	50 02	11 09	2,584 98
County Court House bonds		1,161 20			1,161 20
	\$85,557 40	\$6,105 45	\$88,663 37	\$35,811 69	\$56,403 79
					23,591 59
				Loss	\$32,812 20

The effect on city taxpayers.

For city taxpayers there should be deducted in most cases from their share of the savings shown in the county tables the amounts of the loss in city taxes (or the same should be added when the county shows a loss). Sometimes, however, taxpayers in a city gain when the county as a whole loses. This is illustrated in the example given above for Riverside county where it is shown that the taxpayers in the city save \$5,415.63.

Thus while, on the county rolls, Los Angeles taxpayers save \$1,189,784.75 there will come out of that a considerable amount to cover the losses in city revenues. Data for a complete estimate of this are not available for all of the many cities in that county; nor can it be made exact even for Los Angeles city, as reports of the property in each of the many annexes have not been made. The following facts are, however, instructive: The city of Los Angeles collects in 1911 \$4,729,567.99, as against \$4,604,068.78 in 1910 or \$125,499.21 more than last year. In addition to that, the city receives \$175,880.06 for taxes on corporations to pay bond indebtedness. The highest total tax rate paid in the city (county, school, high school and city tax rates included, but the Panama-Pacific Exposition tax excluded) was \$2.50 against a total of \$2.79 last year. Allowing for a 10 per cent horizontal raise in city valuations claimed to have been made this year, or the equivalent of $8\frac{1}{2}$ cents in tax rate, the tax rate this year is 20½ cents less than last year, and yet the city has \$301,379.27 more to spend than last year. The reduction in some sections is more than the 20½ cents, which is the reduction in the oldest section of the city.

Attention should be called to the fact that as San Francisco has a city and county government combined the showing in the table for that city is final. The following will serve as an example of the method of computing the effect of the change in the state tax system upon a city:

CITY OF PETALUMA.	
Total assessed valuation all property in Petaluma City, as assessed on county rolls.....	\$3,347,470 00
Property withdrawn in city on county rolls.....	149,960 00
Balance subject to county taxation.....	\$3,197,510 00
Gross saving to county tax payers in the city, 37 cents on \$3,197,510	11,830 79
<i>Deduct:</i>	
(1) Loss in county revenues at \$1.03 (see Table III county gain or loss) on \$149,960.....	\$1,554 50
(2) Loss in school revenues at \$0.4203 (44 cents on \$3,197,510 divided by \$3,347,470) on \$149,960.....	630 18
Saving, less county and school district losses.....	\$9,646 02
Total assessed valuation all property on city rolls.....	\$5,004,523 00
Property withdrawn on city rolls.....	228,382 00
Balance subject to city taxation.....	\$4,776,141 00
City taxes lost at \$0.9269 (\$49,388.99 divided by \$5,004,523) on \$228,382.....	\$2,253 90
Saving carried down from county rolls.....	\$9,646 02
Less loss in city taxes.....	2,253 90
Net saving to the tax payers in Petaluma City.....	\$7,392 12

In order to ascertain the full gain there should be added to this: (1) any increase in city tax revenues over 1910; (2) any bond taxes collected by the State and paid to the city.

Additional city statistics.

No attempt has been made to compute the gains or losses of the generality of the cities and incorporated towns, but there has been collected from nearly a hundred municipalities a mass of data which it is believed will be found valuable, because it serves to show in a general way the effect on city finances of the law separating State and local revenues. It appeared to be anticipated before the law went into operation that the cities would be the principal sufferers, because as cities they gained nothing through release from state taxes (which as cities they had never paid), while they would lose heavily by the withdrawal from local taxation of operative property, which is largely concentrated in the centers of population. Either a serious reduction in revenues or a large increase in tax rates was predicted, and since most city charters prescribe a tax limit, it was apprehended that many cities would find themselves in serious straits.

The reports received, the substance of which is printed in the two tables which follow, show that, in the main, the cities have met the situation and have taken care of themselves very well. With some exceptions they have raised their assessment rolls, both by a higher valuation of property and by the addition of new values created during a period of prosperity. The first table, embracing ninety-three cities, not including San Francisco, which is treated as a county, shows an aggregate assessment roll in 1910 of \$918,114,109.00 while in 1911 these city rolls (non-operative property) aggregated \$916,846,581.00, a falling off of little more than a million and a quarter of dollars. At the same time the combined operative rolls of these cities (omitting four which, having no outstanding debt, made no assessment of operative property) amounted to \$99,221,532.00, and non-operative and operative rolls together totaled \$1,016,068,113.00. In other words, the assessors of these cities made an assessment increase of approximately ninety-eight million dollars, more than half of which was in the single city of Los Angeles.

It should be noted that while great pains has been taken to make the county figures as nearly exact as is possible at this time, the city figures are more or less approximate. But one tax rate, and that the highest, is given for each city or town, although a good many cities, owing to successive annexes, not all of which are liable for all of the bond taxes, have several different rates. Again, in a majority of cases the taxes charged up do not include certain amounts of taxes on unsecured personal property which were collected by assessors, either in 1910 or 1911. To make the matter of more general interest there has been added to the table of tax amounts and tax rates a column showing the total rates of taxes—state, county, municipal and district—paid in the various cities and towns. This is believed to be the first time that line of data has been published. It should be hardly necessary to add that comparisons between tax rates in one city and another must be made with due reserve, because between one and another there is likely to be a wide variation in the proportion of actual value of property to assessed value. The figures were secured through the courtesy of city and county officers.

TABLE I. Municipalities—Assessment Rolls, 1910

	1910.	1911. Non-operative.	1911. Operative.	1911. Total.
Alameda	\$18,848,089	\$18,161,800	\$1,231,890	\$19,393,690
Alhambra	1,826,842	1,826,576	169,950	1,996,526
Anaheim	1,114,095	1,826,685	170,915	1,339,550
Belvedere	740,578	748,405	5,080	753,485
Berkeley	35,736,140	37,102,245	1,438,520	38,540,765
Brainerd	721,000	661,200	79,350	740,550
Chico	2,486,327	2,435,150	114,512	2,549,682
Colton	1,470,241	1,002,131	255,896	1,257,987
Colusa	1,219,805	1,156,975	121,029	1,278,004
Corona	1,794,615	1,730,665	105,118	1,835,783
Coronado	2,117,136	2,451,405	22,552	2,473,957
Dunsmuir	331,215	419,857	130,422	550,279
Escondido	761,481	877,708	877,708	877,708
Eureka	7,993,813	7,914,930	151,315	8,066,245
Fresno	13,066,941	13,233,118	1,329,727	14,562,845
Glendora	848,341	848,157	74,311	922,468
Glendale	1,016,659	2,016,659	135,135	2,151,775
Grass Valley	1,415,728	1,377,627	93,541	1,471,168
Healdsburg	1,650,986	1,033,310	15,050	1,048,360
Jackson	610,173	593,597	18,106	611,703
Lindsay	927,140	1,110,225	34,582	1,144,807
Livermore	910,406	981,228	106,375	1,087,603
Lodi	1,357,887	1,556,125	206,196	1,762,321
Long Beach	22,560,278	21,199,660	2,207,858	23,407,518
Los Angeles	332,506,774	330,604,360	53,744,400	384,348,760
Los Gatos	1,348,381	1,305,315	82,266	1,387,581
Loyalton	434,184	451,380	17,576	468,956
Marinez	1,256,895	1,037,795	1,037,795	1,037,795
Marysville	2,706,032	3,547,865	334,140	3,882,005
Merced	1,653,569	1,439,825	28,121	1,467,946
Modes to	2,265,425	2,428,715	110,710	2,539,425
Monrovia	2,691,086	3,387,915	399,080	3,786,995
Monteey	2,207,532	2,186,209	138,284	2,324,493
Mountain View	752,884	704,856	44,415	749,271
Napa	3,989,243	3,879,950	189,157	4,069,107
National City	1,922,333	1,104,875	66,329	1,171,204
Newport Beach	1,768,301	1,817,024	139,622	1,956,646
Oakland	126,920,650	116,806,325	12,300,650	129,106,975
Oceanside	637,800	547,435	101,212	648,647
Ontario	2,376,108	2,153,085	296,697	2,449,782
Orange	1,630,605	1,678,990	100,672	1,779,662
Oroville	1,694,966	1,667,818	104,817	1,772,635
Oxnard	2,084,565	1,984,440	123,898	2,108,338
Pacific Grove	2,424,304	2,403,540	82,873	2,486,413
Palo Alto	3,843,215	3,784,510	114,500	3,899,010
Pasadena	45,112,000	44,653,000	2,300,840	46,953,840
Petaluma	1,109,878	1,776,111	170,170	1,946,311
Piedmont	3,492,551	3,553,225	136,800	3,690,025
Placerville	842,959	759,968	72,542	832,510
Pleasanton	421,610	380,075	64,014	444,089
Pomona	6,281,651	6,721,516	218,118	6,939,634
Porterville	1,797,614	1,994,893	82,646	2,077,539
Red Bluff	1,746,670	1,686,665	157,275	1,843,940
Redding	1,987,515	1,660,362	197,330	1,857,692
Redlands	8,103,219	8,995,655	67,327	9,062,982
Redondo Beach	2,539,225	2,195,000	793,540	2,988,540
Redwood City	1,436,720	1,750,686	95,400	1,846,086
Richmond	7,894,547	8,896,225	-----	8,896,225
Riverside	9,148,485	9,148,485	830,390	9,978,875
Roseville	890,800	804,415	91,435	895,850
Sacramento	36,469,650	41,171,750	3,711,000	44,882,750
St Helena	1,358,495	1,255,485	-----	1,255,485
Salinas	2,388,944	2,209,450	87,205	2,296,655
San Bernardino	5,623,053	5,548,690	1,047,088	5,595,778
San Buenaventura	1,682,318	1,544,036	157,390	1,701,426
San Diego	44,528,019	44,528,019	1,604,135	46,132,154
San Jacinto	279,337	286,655	32,252	318,907
San Jose	22,271,380	22,770,300	2,965,090	25,735,390

TABLE I—Continued.

	1910.	1911. Non-operative.	1911. Operative.	1911. Total.
San Leandro	\$1,919,362	\$1,988,750	\$169,343	\$2,158,093
Santa Ana	5,380,330	5,704,360	326,900	6,211,200
Santa Barbara	9,609,881	8,506,785	835,270	9,342,055
Santa Cruz	7,116,174	7,261,630	435,032	7,696,962
Santa Maria	1,008,313	978,297	98,660	1,076,957
Santa Monica	8,031,690	10,126,700	670,420	11,097,120
Santa Rosa	5,963,382	5,871,222	166,650	6,037,872
Sebastopol	744,680	719,995	61,400	781,395
South San Francisco	1,462,560	1,320,653	141,907	1,462,560
Stockton	19,991,099	20,745,730	1,793,671	22,339,401
Suisun	480,720	420,540	17,635	438,175
Tulare	1,198,454	1,308,705	131,980	1,440,695
Turlock	794,330	787,010	60,640	847,650
Ukiah	1,047,755	1,008,960	16,650	1,025,610
Upland	1,177,790	1,222,415	9,880	1,232,295
Vacaville	552,942	507,805	33,203	541,008
Vallejo	5,382,486	5,117,465	336,003	5,453,468
Venice	5,073,347	4,332,304	350,655	4,682,959
Visalia	2,591,819	3,556,950	185,577	3,542,527
Watsonville	2,356,052	2,392,605	181,243	2,573,848
Whittier	2,678,590	2,791,490	136,189	2,927,679
Willits	458,415	429,321	40,334	469,658
Winters	366,640	364,330	26,943	391,273
Yreka	586,022	544,955	25,050	570,005
Yuba City	626,897	564,189	58,015	622,204
Totals	\$918,114,100	\$916,846,581	\$99,221,532	\$1,016,068,113

TABLE II. Municipalities—City Revenues from Taxation and City Tax Rates in 1910 and 1911—Also total Tax Rates Paid in Cities.

	City taxes charged up.		City tax rate.		Total tax rate, state, county, and district.	
	1910.	1911.	1910.	1911.	1910.	1911.
Alameda	\$221,068 96	\$228,553 84	1.20	1.28	2.56	2.44
Alhambra	45,343 46	51,290 59	1.10	1.10	3.25	2.71
Anaheim	18,951 91	23,505 04	1.70	1.70	3.63	4.50
Belvedere	8,505 00	9,091 10	1.19	1.25	2.23	2.46
Berkely	267,326 33	291,852 44	.75	.79	2.52	2.57
Brawley	14,920 12	10,000 80	1.63	1.67	4.27	4.07
Chico	38,393 72	39,995 67	1.55	1.65	3.70	4.15
Colton	27,199 45	21,044 75	1.85	2.10	3.85	5.20
Colusa	20,980 66	20,825 55	1.72	1.80	3.52	3.85
Corona	30,308 45	29,940 49	1.70	1.73	3.95	4.20
Coronado	30,635 80	36,765 28	1.45	1.50	3.10	3.29
Corning	3,187 29	2,939 16	.60	.70	1.80	3.05
Esecaido	8,744 35	10,089 50	1.15	1.15	4.05	4.11
Eureka	83,080 49	83,688 89	1.10	1.10	2.85	2.80
Fresno	113,910 00	117,082 40	1.20	1.20	3.35	3.36
Gilroy	12,607 76	11,464 07	1.60	1.66	3.14	3.06
Glendale	17,361 24	23,594 76	1.13	1.17	3.11	3.17
Grass Valley	12,438 69	13,210 24	.95	1.05	3.25	3.30
Healdsburg	12,428 10	12,305 95	1.26	1.26	3.06	3.01
Jackson	3,906 12	4,155 18	.65	.70	2.19	2.72
Landsey	6,953 56	16,691 14	.75	1.00	2.55	3.62
Livermore	9,858 92	9,473 40	1.10	1.10	2.66	2.48
Lodi	19,392 57	18,532 13	1.50	1.25	3.45	3.06
Long Beach	269,473 82	250,474 91	1.27	1.40	3.04	2.93
Los Angeles	4,004,008 78	4,739,567 99	1.43	1.48	2.79	2.55
Los Gatos	13,183 81	15,375 25	1.00	1.23	2.51	2.73
Loyalton	4,119 15	3,407 85	.75	.75	3.10	2.45
Martinez	9,426 71	7,783 46	.75	.75	2.47	2.46
Marysville	70,810 67	53,216 06	2.60	1.50	5.65	4.45
Merced	20,067 02	21,019 47	1.25	1.46	3.25	3.54
Modeso	34,433 85	48,571 30	1.50	2.00	3.75	4.20
Monrovia	39,020 89	52,920 44	1.45	1.50	3.62	3.80
Monterey	28,339 23	31,660 88	1.25	1.45	2.80	2.91
Mountain View	10,705 05	9,965 67	1.50	1.50	3.00	2.74
Napa	39,887 88	38,791 04	1.00	1.00	2.66	2.72
National City	16,572 47	16,572 47	1.18	1.18	3.09	3.08
Newport Beach	12,378 10	12,719 17	.70	.70	2.06	1.98
Oakland	1,680,942 79	2,248,918 33	1.38	1.98	3.06	3.26
Oceanside	11,528 60	11,672 21	1.85	2.12	3.95	4.15
Ontario	38,374 14	33,743 43	1.61	1.57	3.49	3.12
Orange	19,945 97	21,261 97	1.25	1.30	2.97	3.11
Oroville	33,899 32	31,021 19	2.00	1.85	4.03	4.25
Oxnard	22,930 21	19,844 40	1.10	1.00	3.05	2.88
Pacific Grove	20,606 59	31,295 74	.85	1.30	3.67	2.94
Palo Alto	36,531 25	35,943 35	.98	.95	2.70	2.75
Pasadena	420,281 95	449,063 68	.48	1.04	2.42	2.42
Petaluma	41,068 78	49,388 99	1.00	1.10	2.64	2.74
Piedmont	26,194 13	35,532 25	.75	1.00	3.20	2.83
Placer Hills	8,429 59	8,625 10	1.00	1.10	3.10	3.14
Placerville	6,624 15	5,701 13	1.50	1.50	2.86	2.72
Pomona	94,133 84	109,597 64	1.50	1.70	3.77	3.90
Porterville	22,470 17	25,238 40	1.25	1.35	3.65	4.00
Red Bluff	11,849 18	14,335 39	.85	.85	2.82	3.27
Redding	27,491 36	21,447 21	1.55	1.40	3.12	3.36 11-11
Redlands	16,624 11	11,693 32	1.20	1.30	3.55	4.35
Redondo Beach	25,558 68	23,650 96	1.00	1.00	2.13	2.13
Redwood City	26,866 85	28,191 10	1.87	1.73	3.21	3.25
Richmond	55,261 83	64,052 82	.60	.60	2.19	2.04
Riverside	141,515 70	150,944 00	1.50	1.65	3.55	4.00
Roseville	13,247 25	12,630 51	1.65	1.50	3.80	3.80
Sacramento	563,516 80	569,121 83	1.00	1.00	3.69	3.68
St. Helena	10,187 33	12,554 85	.75	1.00	2.49	3.10
Salinas	28,787 31	26,518 40	1.20	1.20	2.75	2.55
San Bernardino	98,965 00	80,056 00	1.76	1.76	3.60	5.20

TABLE II—Continued.

	City taxes charged up.		City tax rate.		Total tax rate, state, county, and district.	
	1910.	1911.	1910.	1911.	1910.	1911.
San Buenaventura	\$25,999 95	\$25,353 51	1.80	1.80	3.68	3.75
San Diego	562,712 97	645,377 15	1.30	1.45	3.30	3.45
San Jacinto	5,167 73	6,598 07	1.85	2.30	4.05	5.20
San Jose	253,839 73	275,520 03	1.14	1.21	2.68	2.54
San Leandro	18,463 68	21,588 93	.97	1.08	2.47	2.47
Santa Ana	71,771 16	68,452 32	1.20	1.20	3.96	4.68
Santa Barbara	130,794 92	122,725 04	1.48	1.48	3.63	3.48
Santa Cruz	86,620 53	95,761 80	1.26	1.37	3.11	3.37
Santa Maria	10,083 13	9,782 97	1.00	1.00	2.73	2.63
Santa Monica	125,218 01	131,937 73	1.65	1.65	3.55	2.90
Santa Rosa	8,012 40	79,362 05	1.45	1.45	3.21	3.18
Sebastopol	10,425 52	9,298 45	1.40	1.40	3.20	3.08
South San Francisco	7,314 89	8,577 87	.50	.65	1.91	2.10
Stockton	310,407 59	316,502 80	1.67	1.62	3.35	3.42
Suisun	9,171 07	6,308 10	1.50	1.50	3.25	3.20
Tulare	12,424 42	20,568 00	1.10	1.60	3.10	3.60
Turlock	13,968 61	13,496 00	1.87	1.87	*6.27	*7.24
Ukiah	12,574 26	12,611 24	1.20	1.25	2.83	2.99
Upland	16,017 94	16,624 84	1.36	1.36	3.55	3.11
Vacaville	16,846 73	18,128 64	1.05	1.70	3.05	3.57
Vallejo	53,824 86	54,534 68	1.00	1.00	2.87	3.05
Venice	36,753 35	69,922 48	1.00	1.10	2.17	2.89
Visalia	44,061 44	57,311 20	1.70	1.60	3.30	3.81
Watsonville	23,500 52	23,926 05	1.10	1.05	2.90	3.30
Whittier	43,103 58	49,823 25	1.65	1.85	3.37	3.08
Willits	5,515 83	5,546 50	1.25	1.31 3-10	3.20	3.06 3-10
Winters	3,666 40	5,847 50	1.00	1.61	2.45	3.14
Yreka	8,780 21	8,174 08	1.50	1.50	2.70	3.30
Yuba City	6,885 76	6,770 26	1.10	1.20	*6.90	*8.05
Totals	\$11,865,565 13	\$12,826,636 32				

*Includes irrigation district taxes.

†Includes levee district taxes.

In regard to district taxes.

A form of taxation which has been largely on the increase in this State for some few years past is special district taxes—meaning thereby taxes either for bond-paying purposes or for current expenses occasioned by school, high school, sanitary, fire protection, library or other districts. Owing to multiplication of country high schools and the growing cost of all classes of schools, as well as the creation of several new kinds of districts, the tendency is toward a rapid increase of district tax rates, for which the new State tax system is, of course, not responsible. In the table by counties which is herewith given comparison is made only between the years 1910 and 1911, but the increase would be more manifest if previous years had been included. There is added a column showing the amounts of taxes which in seven counties were levied for the reimbursement of districts. For the figures in this table we are indebted to the county auditors.

Special District Taxes Charged Up to County Tax Collectors in 1910 and 1911—Also Taxes Levied for Reimbursement.

	1910.	1911.	Taxes levied to reimburse districts for loss.
Alameda	\$901,252 08	\$706,031 90	-----
Alpine	None	None	-----
Amador	4,939 21	17,657 81	-----
Butte	61,105 71	70,781 43	-----
Calaveras	4,445 51	6,421 69	-----
Colusa	27,944 36	45,836 80	-----
Contra Costa	90,269 29	100,239 32	-----
Del Norte	1,794 51	8,123 71	-----
El Dorado	None	656 43	-----
Fresno	310,133 80	321,879 76	-----
Glenn	30,624 14	30,032 54	-----
Humboldt	59,685 54	60,501 30	-----
Imperial	105,214 11	121,610 44	-----
Kern	62,698 81	65,689 49	-----
Kings	63,271 44	54,707 07	-----
Lake	7,401 64	10,451 62	-----
Lassen	2,026 84	14,815 77	-----
Los Angeles	2,091,348 43	2,108,681 00	\$374,000 00
Madera	27,805 87	20,069 10	-----
Marin	75,318 96	71,355 78	-----
Mariposa	None	None	-----
Mendocino	34,626 67	44,748 74	3,496 31
Merced	56,654 79	91,184 05	-----
Modoc	21,092 61	25,893 97	-----
Mono	None	589 77	-----
Monterey	42,909 96	87,244 54	-----
Napa	29,722 28	39,842 93	-----
Nevada	16,780 53	17,429 72	-----
Orange	178,870 49	225,357 72	-----
Placer	38,090 22	34,593 49	-----
Plumas	6,229 09	45,907 87	-----
Riverside	264,632 61	232,028 65	48,339 00
Sacramento	211,702 00	231,183 00	-----
San Benito	None	None	-----
San Bernardino	396,422 33	410,828 33	130,452 11
San Diego	268,974 56	296,014 74	28,439 61
San Francisco	None	None	-----
San Joaquin	117,076 09	138,717 07	-----
San Luis Obispo	35,268 00	15,850 00	-----
San Mateo	101,180 20	109,477 00	-----
Santa Barbara	121,031 51	157,332 37	-----
Santa Clara	205,536 14	223,385 78	-----
Santa Cruz	69,042 31	70,588 40	-----
Shasta	26,500 00	27,438 00	13,400 00
Sierra	4,494 32	2,235 22	-----
Siskiyou	20,945 57	26,819 14	-----
Solano	59,929 79	82,972 98	-----
Sonoma	90,442 90	104,095 03	-----
Stanislaus	68,842 61	88,824 80	-----
Sutter	6,661 87	111,536 50	-----
Tehama	28,148 98	26,965 51	-----
Trinity	None	None	-----
Tulare	142,185 98	202,492 08	-----
Tuolumne	7,122 57	11,637 46	-----
Ventura	95,213 16	109,666 40	-----
Yolo	31,693 10	25,044 89	16,488 97
Yuba	28,565 12	32,026 89	-----
Totals	\$6,756,235 61	\$7,195,006 00	\$614,676 30

The Bond Refund Payments.

The bond payments made by the State are provided for in subdivision *e* of section 14 of article XIII of the Constitution as amended November 8, 1910. The section reads as follows:

"All property enumerated in subdivisions *a, b, and d* of this section shall be subject to taxation, in the manner provided by law, to pay the principal and interest of any bonded indebtedness created and outstanding by any city, county and county, county, town, township, or district, before the adoption of this section. The taxes so paid for principal and interest on such bonded indebtedness shall be deducted from the total amount paid in taxes for State purposes."

The taxes due the State under Amendment No. 1 are payable July 1st, which is before the counties and cities fix the rates and collect their taxes, so that the deductions of bond taxes to be paid the local units could not be made by the corporations when paying their State taxes. To overcome this difficulty and simplify the dealings in which the State, hundreds of different corporations, and three hundred counties, cities, towns and districts are involved it was provided in section 22, chapter 335, Statutes of 1911, that "all taxes assessed and levied as provided in this act shall be paid to the State Treasurer, upon the order of the Controller, without deduction for any taxes assessed and levied to pay the principal and interest of any bonded indebtedness mentioned in subdivision *e* of section 14 of article XIII of the Constitution," and sections 28 and 29 of the statute provide that the bond taxes levied by counties, cities, towns and districts, on the operative property of the public service corporations should be paid to such counties, cities, towns and districts by the State Controller in the months of October and March on the presentation of certified claims. For the payment of these claims the legislature, by Chapter 602, Statutes of 1911, appropriated \$1,500,000, of which \$650,000 became available for the fiscal year ending June 30, 1912, and \$850,000 for the following fiscal year.

This simpler method of the State collecting the full gross earnings taxes and paying the bond taxes to the local units out of this appropriation has proven satisfactory.

Although the first half of these bond taxes was to have been paid by the State in October, claims have not been received from all cities and districts entitled to a refund and many of the claims presented require corrections before they can be paid. Claims for bond taxes to the extent of \$344,252.49 have been presented, the first half of which has been paid. Other claims pending and estimates for cities and districts not yet heard from amount to \$305,869.82. This makes a total of \$650,122.31, which is the estimated amount of bond tax payments due from the State for the year 1911-12. The reports of the officials of the counties, cities, towns and districts show that on November 8, 1910, the amount of bonds outstanding for which the State is liable to pay the taxes falling on the operative property of the corporations was \$77,682,312.28. The amount of principal reported due on these bonds during the year 1911

was \$2,307,516.03. While the total amount to be paid by the counties, municipalities and districts this year on account of interest on the bonds above mentioned has not been computed in detail, it will approximate \$3,500,000.

The greatest difficulty encountered has been due to the fact that the auditors and clerks have extended the bond taxes against the personal property of banks, which should have been excluded from the claims against the State. The personal property of banks is excluded from the benefit of the bond refunds through the wording of the constitutional amendment. Subdivision *c* of section 14 of article XIII of the Constitution, which is the subdivision dealing with banks, was omitted from the enumeration of public service corporation property retained as subject to the bond taxes, subdivision *e* reading "all property enumerated in subdivisions *a*, *b*, and *d*" shall be subject to the bond taxes.

In the three or four most important questions which arose in connection with these bond payments the Controller followed opinions given by the Attorney General. In regard to what bonds the operative property is liable to pay upon the opinion held that the words "created and outstanding" used in the Constitution included only bonds sold and delivered before November 8, 1910, (the day on which Amendment No. 1 was adopted). On the advice of the Attorney General the Controller is paying the taxes for bonds of cities, towns, counties, school districts and sanitary districts, but is withholding the payment of irrigation, reclamation and levee district bonds. These last named districts are advised to present their tax bills to the corporations direct until it shall be determined by the courts whether or not the corporations are still liable for all local taxes to these districts, the Constitution stating that the State "tax shall be in lieu of all other taxes, state, county and *municipal*," upon the operative property of the corporations taxed on gross earnings, gross premiums, or shares of capital stock. It is doubtful whether the word "*municipal*" withdraws corporation property from irrigation, reclamation or levee district taxes.

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**END OF
TITLE**